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HR 70-14
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Director's Meeting

Friday, 9 May 1952

PRESENT: General Smith, Messrs. Dulles, Wisner, Wolf, Becker, Hedden, []

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Mr. Dulles:

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a. Stated that [] had raised the question of establishing a "liquidation reserve" of approximately [] to be put aside and used only in case the Committee was discontinued. This reserve would be used to meet payrolls and other closing out expenses. The Director stated that at the present time we had ample funds to meet any such contingency; however, there was always the possibility that some future Congress might see fit to disapprove any substantial amount of reserve funds. Mr. Wolf said he had already discussed this problem with Admiral Miller [] and undertook to pursue this matter further and make appropriate recommendations to the Director. **DONE**

b. Referred to the paper Tracy Barnes had discussed with the Director yesterday and after a brief discussion the Director stated he wished to discuss this matter with Mr. Dulles after the meeting.

Mr. Wolf:

a. Noted that Mr. Willauer, the Vice President of CAT, would arrive in about ten days and while here it would be necessary to renew his contract. In this connection, Mr. Wolf recommended that the negotiations pertaining to this renewal should be carried out by one individual and suggested [] who would be instructed to coordinate with the interested CIA officials. The Director stated that this matter was the responsibility of DD/A and he (DD/A) would carry out the negotiations in the most efficient way.

Mr. Wisner:

a. Noted that the item in the President's book concerning the [] did not show "our best foot" since he had not had an opportunity to talk to J. C. King and, after briefly reporting [] suggested that the Director might wish to discuss this with the President. In response to a query from Mr. Dulles, Mr. Wisner stated that the item in question did not indicate that we were backing any particular party.

b. Referred to the item in today's Log concerning Chinese Nationalist assistance to Li Mi and stated the item as written might appear as somewhat ambiguous since there was no commitment on our part to pay the Fu Shing Air Line for their services. After some discussion wherein it was noted we were still furnishing funds for the purchase of rice for Li Mi's people, the Director stated that if the Chinese Nationalists were able to obligate [] for the sinews of war he felt they could also obligate funds for the purchase of food

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Mr. Wisner (Cont'd.)

and, therefore, we should discontinue the expenditure of funds for the purpose of buying food for Li Mi. Mr. Dulles stated that before these funds were cut off he would like to touch base with Gen. Merrill in order to insure that he (Merrill) had made no commitments to Li Mi. The DCI approved. Mr. Dulles then undertook to prepare recommendations to the Director on this matter after he has talked to Gen. Merrill.

Mr. Becker:

a. Noted that Generals Bolling and Weckerling were well satisfied with the improvements made on the activities of the Watch Committee.



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